UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/732,732	12/11/2000	Scott Allen McEwen	55881.000006	2323

7590   10/12/2004

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EXAMINER
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ART UNIT	PAPER NUMBER
3629	

DATE MAILED: 10/12/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

PTO-90C (Rev. 10/03)

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) FROM
THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed
  after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
  Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any
  earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☐ Responsive to communication(s) filed on _____ .

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is
closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-18* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-18* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____ .

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage
application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
    Paper No(s)/Mail Date _____ .

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .

5) ☐ Notice of Informal Patent Application (PTO-152)

6) ☐ Other: _____ .

DETAILED ACTION

Information Disclosure Statement

1)   The information disclosure statements filed June 19, 2001 and February 13,

2002 fail to comply with 37 CFR 1.98(a)(3) because it does not include a concise

explanation of the relevance, as it is presently understood by the individual designated

in 37 CFR 1.56(c) most knowledgeable about the content of the information, of each

patent listed that is not in the English language. It has been placed in the application

file, but the information referred to therein has not been considered.

Claim Rejections - 35 USC § 101

2)   35 U.S.C. 101 reads as follows:

> Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3)   Claims 9-18 are rejected under 35 U.S.C. 101 because the claimed invention is

directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave

Congress the power to "[p]romote the progress of science and useful arts, by securing

for limited times to authors and inventors the exclusive right to their respective writings

and discoveries". In carrying out this power, Congress authorized under 35 U.S.C.

§101 a grant of a patent to "[w]hoever invents or discovers any new and useful process,

machine, manufacture, or composition or matter, or any new and useful improvement

thereof." Therefore, a fundamental premise is that a patent is a statutorily created

vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson,* 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

> The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. *In re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank & Trust Co.,* the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See *State Street Bank & Trust Co.* at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See *State Street Bank & Trust Co.* at 1377. Both of these

analysis goes towards whether the claimed invention is non-statutory because of the

presence of an abstract idea. Indeed, *State Street* abolished the Freeman-Walter-Abele

test used in *Toma*. However, State Street never addressed the second part of the

analysis, i.e., the "technological arts" test established in *Toma* because the invention in

State Street (i.e., a computerized system for determining the year-end income,

expense, and capital gain or loss for the portfolio) was already determined to be within

the technological arts under the *Toma* test. This dichotomy has been recently

acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a

§101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*,

61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the instant application, there is no significant claim recitation of the

technological arts, such as the data processing system or calculating computer, in order

to show that there is a significant change in the data.

Claim Rejections - 35 USC § 102

4)   The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that

form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

5)   Claims 1-18 are rejected under 35 U.S.C. 102(e) as being anticipated by iChoose
(WO 00/73931).

As for Claim 1, iChoose discloses a system comprising:

an interface configured to receive a request to price one or more items (see Figs.
1-2, Figs. 6A-8B and the descriptions thereof);

a pricing database (112) that stores expressions that are used to determine a
price for the one or more items; and

a pricing engine (110) connected to the interface and the database, the engine
operative to create a script from the expressions and to evaluate the script to determine
a price for items.

As for Claim 2, iChoose further discloses the system, wherein the interface is configured
to receive an identification of the buyer and seller of items to be priced (see Figs.
6A08B).

As for Claim 3, iChoose further discloses the system, wherein the engine creates one or
more scripts based on the ID of the buyer, the seller and items to be priced (see Supra
Figs.).

As for Claim 4, iChoose further discloses the system, wherein the interface is configured
to communicate with and accept an ID of the items to be priced and an ID of a buyer
and seller from an EDI transaction system (biz-to-biz commerce) (see Id.).

As for Claim 5, iChoose further discloses the system, wherein the interface is configured to communicate with and accept an ID of items and ID of a buyer and a seller from a shopping basket transaction system (see Fig. 5 and the description thereof, for example).

As for Claim 6, iChoose further discloses the system, wherein the interface is configured to accept a sales order, the order including an ID of items and ID of a buyer and seller (see Figs. 2-8B and the description thereof).

As for Claim 7, iChoose further discloses the system, wherein an expression includes a trigger and an action (see Id.).

As for Claim 8, iChoose further discloses the system, wherein the one or more items includes a group of items, wherein the engine is operative to create a script from the expressions and to evaluate the script to determine a price for the group of items (see Supra Figs. 2-5).

As for Claim 9, iChoose discloses a method comprising the steps of:

receiving a request to price one or more items (see Figs. 6A-8B and the description thereof);

creating a script that is operative to determine a price for items based on an expression language, in response to the request (see Figs. 2-5 and Supra Figs.); and

evaluating the script to determine a price for the items.

As for Claim 10, iChoose further discloses the method, wherein receiving a request to price includes receiving a sales order specifying items (see Figs. 2-5).

As for Claim 11, iChoose further discloses the method, wherein the creating step includes:

locating at least one expression based on items; and

generating the script from the at least one expression (see Figs. 2-8B).

As for Claim 12, iChoose further discloses the method, wherein the locating step includes:

locating identifying information from a sales order containing the request; and

locating the at least one expression based on the information (see Id.).

As for Claim 13, iChoose further discloses the method, wherein the locating based on the identifying information includes determining whether a condition based on the identifying information is satisfied (see Figs. 5-8B).

As for Claim 14, iChoose further discloses the method, wherein the step of locating at least one expression includes:

locating a contract based on the information;

locating a price plan based on the information and the located contract; and

locating a pricing schedule within the price plan (see Figs. 5-8B and the description thereof).

As for Claim 15, iChoose further discloses the method, wherein locating at least one expression includes:

locating one or more pre-pricing expressions that determine a price for the items;

and

locating one or more post-pricing expressions that modify the price determined

by the pre-pricing expressions (see Id.).

As for Claim 16, iChoose further discloses the method, wherein the pre-pricing

expressions operate to alter a sales order containing the request (see Figs. 6A-8B).

As for Claim 17, iChoose further discloses the method, wherein the pre-pricing

expressions operate to alter price for the item (see Id.).

As for Claim 18, iChoose further discloses the method, wherein the item includes a

group and wherein evaluating the script includes evaluating the script to determine a

price for the group (see Figs. 6A-8B).

Conclusion

The prior art made of record and not relied upon is considered pertinent to

applicant's disclosure.

EP 1001355 is cited to show an apparatus and method for facilitating customer-

driven sales of products having multiple configurations. The method allows an

intermediary to configure a feasible product, transmit a request for quote to a target set

of sellers in the customer's geographical area.

US 2002/0077916 is cited to show a system and method for conducting business to business e-commerce transactions between manufactures of consumer products and retailers.

US 5,794,207 is cited to show a method and apparatus for effectuating bilateral buyer-driven commerce. The invention allows prospective buyers of goods and services to communicate a binding purchase offer globally to potential sellers, for sellers conveniently to search for relevant buyer purchase offers, and for sellers potentially to bind a buyer to a contract.

US 2001/0047306 is cited to show a system for the online ordering of goods followed by the pickup of the goods from the store. A web server is used to conduct the transaction with a database resident on a database server. Price changes and rebates between the time or ordering and pickup along with location data are resident in the database server.

US 5,994,941 is cited to show a method and system for accessing a database management system running on a server computer from within a JAVA applet running on a client computer.

US 5,897,622 is cited to show a merchant system for online shopping and merchandising. The system architecture provides great flexibility for a merchant to adapt the system to their existing business practices, promotions and databases.

US 5,956,709 is cited to show a method to assemble data into a data set, such as item list in an Internet shopping cart, on client side that is necessary for a transaction between two parties on the Internet server side and client side.
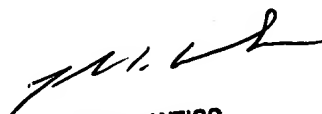
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Richard. Woo whose telephone number is 703-308-7830. The examiner can normally be reached on Monday-Friday from 8:30 AM -5:00 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, John Weiss can be reached on 703-308-2702. The fax phone numbers for the organization where this application or proceeding is assigned are 703-872-9306 for regular communications and for After Final communications.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is 703-308-0861.

Richard Woo
Patent Examiner
GAU 3629
September 29, 2004

JOHN G. WEISS
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